

# Mayor's Advisory Committee on Streets, Roads, & Trails

## Meeting Notes

---

January 7, 2004

7:30 a.m.

Mayor's Conference Room

### Members Present:

Russ Bayer	Dan Marvin
Jennifer Brinkman	Polly McMullen
Carol Brown	Richard Meginnis
Clint Burge	Doug Rotthaus
Jim Fram	Kent Seacrest
Jan Gauger	Bruce Wright
Mark Hunzeker	Larry Zink
Brad Korell	

### Others Present:

Allan Abbott	Kent Morgan
Mark Bowen	Darl Naumann
Karl Fredrickson	Coleen Seng
Ann Harrell	Ray Stevens
Don Herz	Don Thomas
Marvin Krout	Michele Abendroth
Steve Masters	

---

### 1. Call to Order - Russ Bayer, Tri-Chair

Tri-Chair Russ Bayer called the meeting to order at 7:32 a.m.

### 2. Charge to SST Committee - Mayor Seng

Mayor Seng thanked the members for agreeing to be a part of this committee. She noted that this is a very important endeavor for the City of Lincoln. There are a lot of opinions, but she emphasized that this Committee must arrive at consensus. The City Council must also be a part of this process. How we shape the gap is the task at hand, and the solution will not be easy.

Mayor Seng then drew the group's attention to the *Charge Statement*. Mr. Bayer noted that one of the highlights is that a lot of work has been accomplished and a lot of research has been done.

Mr. Hunzeker questioned the funding priorities of maintenance of existing facilities being given primary consideration, followed by projects of broad community benefit, and infrastructure improvements that further planned urban growth. Mr. Abbott stated that the Antelope Valley project is underway and will be considered as a "given." He noted that any money for Antelope Valley that is federally funded will allow the City to free up other local funds.

It was clarified that the word *sidewalks* on item 5 under Key Working Assumptions will be removed.

Mr. Wright made a motion to approve the Charge Statement, seconded by Ms. McMullen. There was unanimous approval of the motion by all members in attendance.

### 3. "The Gap" = \$190 million over 15 years

Mr. Bayer then reviewed the *Executive Summary* of the Mayor's Infrastructure Finance Committee. The Cost Savings and Efficiency Work Group found \$35 million in "hard savings" and \$100 million in "deferred savings". Jan Gauger stated that in the past few days she has spoken to the County Commissioners and has had a good response from them. Jim Fram stated that communication is the key to discern any differences.

Mr. Krout explained that we have fallen behind in infrastructure needs and we must "catch up." Previously, a 12-year time frame was discussed, but it was determined that a 15-year time frame would be used. He noted that we want to make sure there is an adequate supply of land available as well as to not slow down the growth.

Brad Korell stated that the Comprehensive Plan has identified a growth plan for the next 25 years. The Finance Work Group used the Comp Plan as the guide and looked at how to get services into an area. The population growth was based on 1.5%, and they looked out 12 years.

Mr. Korell noted that the City has been well served by the water and wastewater system, as there has not been a rate increase for a number of years. The Finance Work Group looked at modest rate increases in water and wastewater, which will take care of these systems.

The problem lies in roads and streets. The gap number was approximately \$350 million initially, but was reduced by \$135 million through the work of the Cost Savings and Efficiency Work Group.

Mr. Korell then reviewed the financing options considered by the Finance Work Group. These included general obligation bonds, highway allocation bonds, increasing City sales tax, new sales tax on all auto sales, City income tax, wheel tax, and occupation tax on fuel sales. He then asked that the Committee review at their leisure the *Legal Analysis of Transportation Financing Alternatives*, the consultant analysis of the funding options and the Street entitled *Transportation Financing Alternatives Analysis*, and the *Street, Highway, and Sidewalk Finance Recommendations of the Finance Work Group*.

Mr. Korell went on to explain that the charge of the Mayor's Infrastructure Finance Committee was to seek a "balanced funding approach" for infrastructure financing with the maintenance of the existing roads given primary consideration. One of the recommendations of the Finance Work Group was to implement a rating system to assess the condition of the existing streets. Mr. Abbott reported that a process to implement the system is currently underway. New street construction projects include the South and East Beltways as well as the Antelope Valley Project.

Mr. Korell continued by stating that the state collects about \$500 million annually from the tax on fuel, registration on automobiles, and sales tax on automobiles. Of that amount, Lincoln gets about \$14 million or 2.7% of the total, whereas Lincoln has about 15% of the total state population.

In order to fund the gap, the Finance Work Group recommended \$106 in general obligation bonds, an increase in the wheel tax, and instituting an occupation tax on fuel sold at the retail pump. The City Council approved the first increase on the wheel tax, which will bring in up to \$35 million.

Mr. Abbott stated that the Antelope Valley project is underway and they have assumed that in their projections.

Mr. Abbott reviewed the *Assumed 12 year Infrastructure Needs and Financing Strategy* for roads, water, wastewater, storm water, and parks. The 12-year total needs amount is \$49,557,650 with the 12-year funding totaling \$37,303,000. The gap is \$12,254,650.

During the course of the Mayor's Infrastructure Finance Committee deliberations, the question was raised as to why the City can't continue to use the County's asphalt roads as urbanization of rural areas occurs. There were several reasons given including the feeling that many of the County paved roads are not in the City's growth areas. A follow up question concerned the type of cross section that might be built in Tier I. An example of a rural-to-urban transitional cross section was presented by staff.

Allan Abbott described the MIFC recommendation now before the City Council to begin issuing Highway Allocation Bonds. These bonds would utilize the income stream from the increase in City wheel tax to fund near term road projects. The wheel tax increase recently approved by the City Council allows for the issuance of up to \$35 million in Highway Allocation Bonds. Once issued, the bond receipts must be spent within the following three years. And once the revenue stream is pledged to the bond payments it is unavailable after that until the bonds are paid off – which could mean that the wheel tax revenues would not be available again for additional roads projects for a period of fifteen to twenty years.

#### **4. Work Plan**

Kent Seacrest noted that a lot of work has been completed already and the Committee is not trying to reinvent the wheel. He added that the Committee will talk to the City Council early in order to gauge their support. The workshop will provide a more concentrated effort to look at the issues before this group.

#### **5. January 16<sup>th</sup> Workshop**

The Tri-Chairs will be organizing a full day workshop on January 16<sup>th</sup> from 9:15 a.m. to 4:30 p.m. at the Cornhusker Hotel.

#### **6. Meeting Schedules**

There will be a second half-day workshop on January 30<sup>th</sup> from 8:00 a.m. to noon also held at the Cornhusker Hotel. The next regular meeting of the SRT Committee will be February 4<sup>th</sup> at 7:30 a.m. in the Mayor's Conference Room.

## 7. Other items

There was no discussion of “other items.”

## 8. Adjournment

Mr. Bayer adjourned the meeting at 9:05 a.m.

*I:\MIFC\SRT\Minutes\Meeting\_Notes\_01\_07\_04.wpd*